

cc: Fiscal Section

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

JULIE ANNE DARRAH and VIVID
FINANCIAL MANAGEMENT, INC.,

Defendants.

Case No.: 2:23-CV-08843-DSF-AGR

**JUDGMENT AS TO DEFENDANT
JULIE ANNE DARRAH**

The Securities and Exchange Commission having filed a Complaint and Defendant Julie Anne Darrah having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5], by using any means

1 or instrumentality of interstate commerce, or of the mails, or of any facility of any
2 national securities exchange, in connection with the purchase or sale of any security:

- 3 (a) to employ any device, scheme, or artifice to defraud;
4 (b) to make any untrue statement of a material fact, or to omit to state
5 a material fact necessary in order to make the statements made, in
6 the light of the circumstances under which they were made, not
7 misleading; or
8 (c) to engage in any act, practice, or course of business which
9 operates or would operate as a fraud or deceit upon any person
10 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving
11 any person, or (ii) disseminating false or misleading documents, materials, or
12 information or making, either orally or in writing, any false or misleading
13 statement in any communication with any investor or prospective investor,
14 about:

- 15 (A) any investment strategy or investment in securities,
16 (B) the prospects for success of any product or company,
17 (C) the use of investor funds,
18 (D) compensation to any person,
19 (E) Defendant's qualifications to advise investors; or
20 (F) the misappropriation of investor funds or investment proceeds.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
22 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
23 binds the following who receive actual notice of this Final Judgment by personal
24 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
25 attorneys; and (b) other persons in active concert or participation with Defendant or
26 with anyone described in (a).

27 II.

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
2 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale
3 of any security by the use of any means or instruments of transportation or
4 communication in interstate commerce or by use of the mails, directly or indirectly:

5 (a) to employ any device, scheme, or artifice to defraud;
6 (b) to obtain money or property by means of any untrue statement of a
7 material fact or any omission of a material fact necessary in order
8 to make the statements made, in light of the circumstances under
9 which they were made, not misleading; or
10 (c) to engage in any transaction, practice, or course of business which
11 operates or would operate as a fraud or deceit upon the purchaser
12 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any
13 person, or (ii) disseminating false or misleading documents, materials, or information
14 or making, either orally or in writing, any false or misleading statement in any
15 communication with any investor or prospective investor, about:

16 (A) any investment strategy or investment in securities,
17 (B) the prospects for success of any product or company,
18 (C) the use of investor funds,
19 (D) compensation to any person,
20 (E) Defendant’s qualifications to advise investors; or
21 (F) the misappropriation of investor funds or investment proceeds.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
23 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
24 binds the following who receive actual notice of this Final Judgment by personal
25 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
26 attorneys; and (b) other persons in active concert or participation with Defendant or
27 with anyone described in (a).
28

III.

IT IS FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from violating, while acting as an investment adviser, Sections 206(1) and (2) of the Investment Advisers Act of 1940 (the “Investment Advisers Act”) [15 U.S.C. § 80b-6(1) and (2)] by using the mails or any means or instrumentality of interstate commerce, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud any client or prospective client; or

(b) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any client or prospective client, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any client or prospective client, about:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of client funds,
- (D) compensation to any person,
- (E) Defendant’s qualifications to advise clients; or
- (F) the misappropriation of client funds or investment proceeds.

IT IS FURTHER ORDERED, Adjudged, And Decreed that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-7 promulgated thereunder [17 C.F.R. § 275.206(4)-7], by providing investment advice without adopting and implementing written policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules that the Commission has adopted under the Advisers Act.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Darrah's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Darrah or with anyone described in (a).

V.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 207 of the Advisers Act [15 U.S.C. § 80b-7] by making any untrue statement of a material fact in any registration application or report filed with the Commission under Section 203 or 204 of the Advisers Act [15 U.S.C. §§ 80b-3 or 80b-4], or willfully omitting to state in any such application or report any material fact which is required to be stated therein.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Darrah's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Darrah or with anyone described in (a).

VI.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, while acting as an investment adviser, Advisers Act Section 206(4) [15 U.S.C. § 80b-6(4)] and Rule 206(4)-2 [17 C.F.R. § 275.206(4)-2] promulgated thereunder, by using any means or instrumentality of interstate commerce, directly or indirectly, to engage in acts, practices, or courses of business which are fraudulent, deceptive, or manipulative by having custody of client funds or securities without:

- (a) having a reasonable basis, after due inquiry, for believing that the qualified custodian sends account statements at least quarterly to the clients; and
- (b) ensuring that client funds and securities are verified by actual examinations each year by an independent public accountant at a time chosen by the accountant without prior notice or announcement to the adviser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to Section 21(d)(1) and (d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Section 20(b) of the Securities Act, [15 U.S.C. §§ 77t(b)] and Section 209(d) of the Advisers Act [15 U.S.C. §§ 80b-9(d)], Defendant is permanently restrained and enjoined from directly or indirectly participating in the offer, sale, or transfer of any security on behalf of any other person or any entity, including in her capacity as a trustee for such

1 other person or entity, provided, however that such injunction shall not prevent
2 Defendant from purchasing or selling securities for her own personal account.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
4 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
5 binds the following who receive actual notice of this Judgment by personal service or
6 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
7 (b) other persons in active concert or participation with Defendant or with anyone
8 described in (a).

9 VIII.

10 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
11 Defendant is liable for disgorgement of \$2,247,330, representing net profits gained as
12 a result of the conduct alleged in the Complaint, as well as \$169,181.18 in
13 prejudgment interest, for a total of \$2,416,511.18. In addition, Defendant is liable for
14 a civil penalty in the amount of \$2,247,330 pursuant to Section 20(d) of the Securities
15 Act, 15 U.S.C. § 77t(d), Section 209(e) of the Advisers Act [15 U.S.C. (d)(e)§ 80b-
16 9(e)] and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §78u(d)(3). Defendant
17 shall satisfy these obligations by paying the total amount for which she is liable to the
18 Securities and Exchange Commission within thirty (30) days after entry of this Final
19 Judgment.

20 Defendant may transmit payment electronically to the Commission, which will
21 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
22 be made directly from a bank account via Pay.gov through the SEC website at
23 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
24 check, bank cashier's check, or United States postal money order payable to the
25 Securities and Exchange Commission, which shall be delivered or mailed to

26 Enterprise Services Center
27 Accounts Receivable Branch
28 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

1 and shall be accompanied by a letter identifying the case title, civil action number,
2 and name of this Court; Julie Anne Darrah as a defendant in this action; and
3 specifying that payment is made pursuant to this Final Judgment.
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5 Defendant shall simultaneously transmit photocopies of evidence of payment
6 and case identifying information to the Commission's counsel in this action. By
7 making this payment, Defendant relinquishes all legal and equitable right, title, and
8 interest in such funds and no part of the funds shall be returned to Defendant.

9 The Commission may enforce the Court's judgment for disgorgement and
10 prejudgment interest by using all collection procedures authorized by law, including,
11 but not limited to, moving for civil contempt at any time after 30 days following entry
12 of this Final Judgment.

13 The Commission may enforce the Court's judgment for penalties by the use of
14 all collection procedures authorized by law, including the Federal Debt Collection
15 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the
16 violation of any Court orders issued in this action. Defendant shall pay post
17 judgment interest on any amounts due after 30 days of the entry of this Final
18 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
19 together with any interest and income earned thereon (collectively, the "Fund"),
20 pending further order of the Court.

21 The Commission may propose a plan to distribute the Fund subject to the
22 Court's approval. Such a plan may provide that the Fund shall be distributed
23 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
24 2002. The Court shall retain jurisdiction over the administration of any distribution
25 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.
26 Regardless of whether any such Fair Fund distribution is made, amounts ordered to
27 be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid
28 to the government for all purposes, including all tax purposes. To preserve the

deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that she is entitled to, nor shall she further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that no later than thirty (30) days following entry of this Final Judgment, the Clerk of Court is hereby ordered to transfer to the Commission—which will provide detailed ACH transfer/Fedwire instructions upon request—the entire balance of funds attributable to this case (as well as any future deposits) paid into either the registry of this Court or the Court Registry Investment System. Payment may also be made by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number,

and name of this Court; and specifying that payment is made pursuant to this Final Judgment. The Commission shall credit these funds toward the disgorgement and prejudgment interest ordered to be paid herein and hold these monies as part of the Fund described above.

X.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that within thirty (30) days after being served with a copy of this Final Judgment, Community Bank of Santa Maria, J.P. Morgan Chase Bank, and Mechanics Bank (the “Banks”) shall transfer the entire balance of the following bank accounts—along with any other bank accounts—which were frozen pursuant to an Order of this Court to the Commission:

Bank Name	Account Holder	Account No.
Community Bank of Santa Maria	Julie Anne Darrah Trust	xxx157
Community Bank of Santa Maria	Julie A Darrah	xxx412
J.P. Morgan Chase	Julie A Darrah	xxx127
J.P. Morgan Chase	Julie A Darrah	xxx566
Mechanics Bank	Orion 3 Holdings LLC	xxx172
Mechanics Bank	Julie Darrah Central Coast Shine	xxx248
Mechanics Bank	Vivid Tax & Bookkeeping Services	xxx550

The Banks may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. The Banks also may transfer these funds by certified check, bank cashier’s check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

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6500 South MacArthur Boulevard

1 Oklahoma City, OK 73169

2 and shall be accompanied by a letter identifying the case title, civil action number,
3 and name of this Court; and specifying that payment is made pursuant to this Final
4 Judgment.

5 The proceeds from the liquidation of these assets shall be paid to the
6 Commission as set forth above to be credited towards the amounts ordered herein and
7 held as part of the Fund described above.

8 XI.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
10 Consent is incorporated herein with the same force and effect as if fully set forth
11 herein, and that Defendant shall comply with all of the undertakings and agreements
12 set forth therein.

13 XII.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for
15 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
16 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
17 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
18 amounts due by Defendant under this Judgment or any other judgment, order, consent
19 order, decree or settlement agreement entered in connection with this proceeding, is a
20 debt for the violation by Defendant of the federal securities laws or any regulation or
21 order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy
22 Code, 11 U.S.C. §523(a)(19).

23 XIII.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
25 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
26 Judgment.

27 XIV.

1 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
2 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
3 and without further notice.

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5 Dated: December 18, 2024

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UNITED STATES DISTRICT JUDGE
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